

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2019 Total App	FY 2019 Actual	FY 2020 Approp	FY 2021 Request	FY 2021 Gov Rec
BY FUND CATEGORY					
Dedicated	443,905,800	207,969,500	141,709,000	203,764,100	206,494,700
Federal	503,504,400	287,307,200	304,522,700	284,318,000	284,644,000
Total:	947,410,200	495,276,700	446,231,700	488,082,100	491,138,700
Percent Change:		(47.7%)	(9.9%)	9.4%	10.1%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	11,900,800	4,481,800	10,600,000	10,600,000	10,600,000
Capital Outlay	906,113,100	465,577,900	433,531,700	475,382,100	478,438,700
Trustee/Benefit	29,396,300	25,217,000	2,100,000	2,100,000	2,100,000
Total:	947,410,200	495,276,700	446,231,700	488,082,100	491,138,700

Division Description

The Contract Construction and Right-of-Way Acquisition Division accounts for the funds necessary for highway construction projects that maintain and improve the state's highway system. The current and useful life of the state's infrastructure depends on sufficient funding and efficient expenditure of these funds on necessary improvements.

Reappropriation represents funding authorized for projects which were in progress, but not yet completed, and therefore had not yet fully consumed their appropriation through the end of the prior year. As the backlog is completed, actual expenditures in subsequent years will usually be greater than the original appropriation provided.

In FY 2007, the Legislature approved H854 which provided bonding authority for the issuance of Grant Anticipation Revenue Vehicle (GARVEE) bonds. H547 of 2014 revised the distribution of cigarette tax revenues to provide up to \$4.7 million annually, for five years, to the GARVEE Debt Service Fund to pay the state's share of the annual bond payment. Additionally, there was a distribution of cigarette tax revenues to the State Highway Account to pay for highway maintenance which is variable and contingent upon the amount of revenues generated.

Just after Sine Die of the 2015 session, H312 was signed into law. It raised the gas tax by 7 cents and increased the registration fee by \$21 for personal vehicles and \$25 for commercial vehicles. At that time, the new revenue was estimated to generate approximately \$94 million annually. The ongoing increase in registration and motor fuels is being split 60% - 40% between the State Highway Account and local units of government. Furthermore, the bill provided that any funds from an unrecognized General Fund revenue surplus be split equally and deposited into the Budget Stabilization Fund and the Strategic Initiative Program Fund at the end of fiscal years 2015 and 2016, after which time the surplus eliminator language would sunset. When the FY 2015 books closed in July 2015, each fund received \$54.2 million. The FY 2016 transfer was approximately \$11 million each to the Budget Stabilization Fund and the Strategic Initiative Program Fund. The FY 2017 transfer was \$27.5 million split 60/40 between ITD and the local units of government. The FY 2018 transfer was approximately 60.3 million split 60/40 between ITD and the local units of government.

S1206 of 2017 authorized an additional \$300 million in GARVEE bonding authority, extended the surplus eliminator for two years while adding a 60/40 split between Idaho Transportation Department (ITD) and the local units of government for the Strategic Initiative Program portion, and created the Transportation Expansion and Congestion Mitigation (TECM) Fund. The TECM Fund is funded through 1% of sales tax revenue; estimated to generate approximately \$15 million in 2018, as well as a distribution from the cigarette tax.

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FY 2019 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2019 Original Appropriation								
0260-02	Ded	0.00		0	1,946,800	131,427,200	319,300	0	133,693,300
0260-05	Ded	0.00		0	271,500	3,037,400	542,500	0	3,851,400
0269-02	Ded	0.00		0	0	16,880,800	0	0	16,880,800
0260-03	Fed	0.00		0	8,007,100	266,103,700	3,061,300	0	277,172,100
Totals:		0.00		0	10,225,400	417,449,100	3,923,100	0	431,597,600
0.41	Prior Year Reappropriation								
0260-02	Ded	0.00		0	934,200	155,281,500	563,500	0	156,779,200
0260-05	Ded	0.00		0	113,800	24,509,400	68,700	0	24,691,900
0269-02	Ded	0.00		0	0	21,086,700	0	0	21,086,700
0270-02	Ded	0.00		0	0	24,762,200	0	0	24,762,200
0260-03	Fed	0.00		0	627,400	135,086,400	378,500	0	136,092,300
Totals:		0.00		0	1,675,400	360,726,200	1,010,700	0	363,412,300
0.43	Supplementals								
0270-02	Ded	0.00		0	0	37,697,800	0	0	37,697,800
0270-05	Ded	0.00		0	0	0	24,462,500	0	24,462,500
0260-03	Fed	0.00		0	0	90,240,000	0	0	90,240,000
Totals:		0.00		0	0	127,937,800	24,462,500	0	152,400,300
1.00	FY 2019 Total Appropriation								
0260-02	Ded	0.00		0	2,881,000	286,708,700	882,800	0	290,472,500
0260-05	Ded	0.00		0	385,300	27,546,800	611,200	0	28,543,300
0269-02	Ded	0.00		0	0	37,967,500	0	0	37,967,500
0270-02	Ded	0.00		0	0	62,460,000	0	0	62,460,000
0270-05	Ded	0.00		0	0	0	24,462,500	0	24,462,500
0260-03	Fed	0.00		0	8,634,500	491,430,100	3,439,800	0	503,504,400
Totals:		0.00		0	11,900,800	906,113,100	29,396,300	0	947,410,200
1.31	Net Transfer Between Programs								
0260-02	Ded	0.00		0	(5,000)	3,502,100	0	0	3,497,100
0260-03	Fed	0.00		0	(20,000)	1,304,800	0	0	1,284,800
Totals:		0.00		0	(25,000)	4,806,900	0	0	4,781,900
1.71	Current Year Reappropriation								
0260-02	Ded	0.00		0	(3,442,600)	(125,690,500)	(1,920,000)	0	(131,053,100)
0260-05	Ded	0.00		0	(432,000)	(26,020,200)	(244,200)	0	(26,696,400)
0269-02	Ded	0.00		0	0	(36,889,400)	0	0	(36,889,400)
0270-02	Ded	0.00		0	0	(44,768,700)	0	0	(44,768,700)
0270-05	Ded	0.00		0	0	0	(25,800)	0	(25,800)
0260-03	Fed	0.00		0	(3,519,400)	(211,973,300)	(1,989,300)	0	(217,482,000)
Totals:		0.00		0	(7,394,000)	(445,342,100)	(4,179,300)	0	(456,915,400)

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FY 2019 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
2.00	FY 2019 Actual Expenditures							
0260-02	Ded	0.00	0	(566,600)	164,520,300	(1,037,200)	0	162,916,500
	State Highway (Dedicated)		0	(566,600)	164,520,300	(1,037,200)	0	162,916,500
0260-05	Ded	0.00	0	(46,700)	1,526,600	367,000	0	1,846,900
	State Highway (Local)		0	(46,700)	1,526,600	367,000	0	1,846,900
0269-02	Ded	0.00	0	0	1,078,100	0	0	1,078,100
	Transportation Expansion and Congestion Mitigation		0	0	1,078,100	0	0	1,078,100
0270-02	Ded	0.00	0	0	17,691,300	0	0	17,691,300
	Strategic Initiatives Program - Dedicated		0	0	17,691,300	0	0	17,691,300
0270-05	Ded	0.00	0	0	0	24,436,700	0	24,436,700
	Strategic Initiatives Program - Local		0	0	0	24,436,700	0	24,436,700
0260-03	Fed	0.00	0	5,095,100	280,761,600	1,450,500	0	287,307,200
	State Highway (Federal)		0	5,095,100	280,761,600	1,450,500	0	287,307,200
Totals:		0.00	0	4,481,800	465,577,900	25,217,000	0	495,276,700

Difference: Actual Expenditures minus Total Appropriation

0260-02	Ded	0	(3,447,600)	(122,188,400)	(1,920,000)	0	(127,556,000)
	State Highway (Dedicated)	N/A	(119.7%)	(42.6%)	(217.5%)	N/A	(43.9%)
0260-05	Ded	0	(432,000)	(26,020,200)	(244,200)	0	(26,696,400)
	State Highway (Local)	N/A	(112.1%)	(94.5%)	(40.0%)	N/A	(93.5%)
0269-02	Ded	0	0	(36,889,400)	0	0	(36,889,400)
	Transportation Expansion and Congestion Mitigation	N/A	N/A	(97.2%)	N/A	N/A	(97.2%)
0270-02	Ded	0	0	(44,768,700)	0	0	(44,768,700)
	Strategic Initiatives Program - Dedicated	N/A	N/A	(71.7%)	N/A	N/A	(71.7%)
0270-05	Ded	0	0	0	(25,800)	0	(25,800)
	Strategic Initiatives Program - Local	N/A	N/A	N/A	(0.1%)	N/A	(0.1%)
0260-03	Fed	0	(3,539,400)	(210,668,500)	(1,989,300)	0	(216,197,200)
	State Highway (Federal)	N/A	(41.0%)	(42.9%)	(57.8%)	N/A	(42.9%)
Difference From Total Approp		0	(7,419,000)	(440,535,200)	(4,179,300)	0	(452,133,500)
Percent Diff From Total Approp		N/A	(62.3%)	(48.6%)	(14.2%)	N/A	(47.7%)

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2020 Original Appropriation	0.00	0	446,231,700	0.00	0	446,231,700
Reappropriation	0.00	0	456,915,400	0.00	0	456,915,400
2. Strategic Initiative Program Interest	0.00	0	1,029,200	0.00	0	1,029,200
FY 2020 Total Appropriation	0.00	0	904,176,300	0.00	0	904,176,300
Removal of Onetime Expenditures	0.00	0	(511,782,200)	0.00	0	(511,782,200)
Base Adjustments	0.00	0	0	0.00	0	0
FY 2021 Base	0.00	0	392,394,100	0.00	0	392,394,100
1. Excess Revenue and Receipts	0.00	0	95,688,000	0.00	0	98,744,600
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2021 Total	0.00	0	488,082,100	0.00	0	491,138,700
Change from Original Appropriation	0.00	0	41,850,400	0.00	0	44,907,000
% Change from Original Appropriation			9.4%			10.1%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Original Appropriation					
The Legislature funded two line items for FY 2020: These included \$8,737,400 for an expected revenue increase to the Transportation Expansion and Congestion Mitigation Fund; and \$50,242,400 for excess revenue and receipts.					
	0.00	0	141,709,000	304,522,700	446,231,700

Reappropriation

The department was authorized to reappropriate and carryover its unencumbered and unexpended appropriation balance from FY 2019 into FY 2020. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2021 base.

Agency Request	0.00	0	239,433,400	217,482,000	456,915,400
Governor's Recommendation	0.00	0	239,433,400	217,482,000	456,915,400

2. Strategic Initiative Program Interest

The department requests \$1,029,200, onetime, with \$1,005,200 from the Strategic Initiatives Program (Dedicated) Fund and \$24,000 from the Strategic Initiatives Program (Local) Fund. These amounts would give the department the appropriation to spend the interest that has accrued, as well as allow the locals to receive the interest retained in the fund.

Agency Request	0.00	0	1,029,200	0	1,029,200
Governor's Recommendation	0.00	0	1,029,200	0	1,029,200

FY 2020 Total Appropriation

Agency Request	0.00	0	382,171,600	522,004,700	904,176,300
Governor's Recommendation	0.00	0	382,171,600	522,004,700	904,176,300

Removal of Onetime Expenditures

This action removes amounts for reappropriation and line items funded on a onetime basis in FY 2020.

Agency Request	0.00	0	(263,653,700)	(248,128,500)	(511,782,200)
Governor's Recommendation	0.00	0	(263,653,700)	(248,128,500)	(511,782,200)

Base Adjustments

The department requests a fund shift of \$25,000,000 from the State Highway (Federal) Fund to the State Highway (Dedicated) Fund.

Agency Request	0.00	0	25,000,000	(25,000,000)	0
Governor's Recommendation	0.00	0	25,000,000	(25,000,000)	0

FY 2021 Base

Agency Request	0.00	0	143,517,900	248,876,200	392,394,100
Governor's Recommendation	0.00	0	143,517,900	248,876,200	392,394,100

1. Excess Revenue and Receipts

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The department requests \$95,688,000 for additional capital outlay to align its appropriation with additional revenue received above forecast from for FY 2019. This request is for \$40,604,300, onetime, from the State Highway (Dedicated) Fund, \$14,521,300, onetime, from the State Highway (Local) Fund, \$3,977,000, ongoing, from the Transportation Expansion and Congestion Mitigation (TECM) Fund, \$1,143,600, onetime, from the (TECM) Fund, and \$35,441,800, onetime, from the State Highway (Federal) Fund.

Agency Request	0.00	0	60,246,200	35,441,800	95,688,000
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Recommended by the Governor, including an additional \$3,056,600 from the State Highway Fund to align the agency's appropriation with the projected funds. Of the total increase recommended \$2,725,800 is from the State Highway (Dedicated) Fund, \$4,800 is from the State Highway (Local) Fund, and \$326,000 from the State Highway (Federal) Fund.

Governor's Recommendation	0.00	0	62,976,800	35,767,800	98,744,600
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Budget Law Exemptions	Contract Construction & Right-of-Way Acquisition				

The agency requests the following language be included in its FY 2021 appropriation bill:

CONTINUOUSLY APPROPRIATED MONEYS. All moneys transferred to the Local Bridge Inspection Fund and to the Railroad Grade Crossing Protection Fund, as provided in Section 63-2412, Idaho Code, are hereby continuously appropriated to the Idaho Transportation Department for the stated purpose of those funds.

REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money categorized as the State Highway Fund, Strategic Initiatives Program Fund, or Transportation Expansion and Congestion Mitigation Fund for the Contract Construction and Right-of-Way Acquisition Division as appropriated or reappropriated for fiscal year 2020, to be used for nonrecurring expenditures, for the period July 1, 2020, through June 30, 2021.

Analyst Note: Over the last five fiscal years, the Contract Construction and Right-of-Way Acquisition Program has received an average annual total appropriation of \$652,457,600. This amount includes \$300,222,600, or 46% in carryover approved by the Legislature. However, the program spends an average of \$361,271,900, or 55% of its total appropriation. The remainder is approved to be carried over again into the following fiscal year. In order to better align the appropriation with the actual expenditures the legislature may want to consider increasing the original appropriation or limiting the carryover to what is likely to be spent in a fiscal year.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

FY 2021 Total					
Agency Request	0.00	0	203,764,100	284,318,000	488,082,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>206,494,700</i>	<i>284,644,000</i>	<i>491,138,700</i>
Agency Request					
Change from Original App	0.00	0	62,055,100	(20,204,700)	41,850,400
% Change from Original App			43.8%	(6.6%)	9.4%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>64,785,700</i>	<i>(19,878,700)</i>	<i>44,907,000</i>
<i>% Change from Original App</i>			<i>45.7%</i>	<i>(6.5%)</i>	<i>10.1%</i>